

104 7686
Confidential Claim Retracted

AUTHORIZED BY: *SC*

DATE: 5/16/13

1. ISSUE: Monitoring

Anaconda Minerals Company (AMC) - The company proposes that a three-year period of monitoring will be sufficient time within which a determination can be made as to the success of reclamation processes and activities.

Minerals Management Service (MMS) - It is the position of Minerals Management Service that the period of no less than five years is needed to determine the adequacy and success of reclamation measures. In addition, the Minerals Management Service will request Anaconda to pay for the cost of an airborne gamma survey once reclamation is completed. The Environmental Protection Agency has also been requested to provide a monitoring plan.

Pueblo of Laguna (POL) - It is the feeling of the Pueblo that monitoring activities must take place on an on-going basis for a period of no less than ten years.

JUSTIFICATION:

The Pueblo of Laguna is of the opinion that due to topography to be created by the reclamation processes, the instability of the soils and materials to be used in the backfilling process and the material composition of the waste piles, it will be at least ten years before any kind of a determination can be made as to the stability of the reclaimed areas and the success of the overall reclamation program. Because of the sometimes radical changes in the environmental conditions, i.e., unusually heavy rainfalls, periods of drought, sufficient time must



be allocated to allow for possible change in conditions and its subsequent effect on the reclamation measures undertaken. The Pueblo is adamant that the Company and the Pueblo's trustee must keep in mind that the reclamation of the Jackpile-Paguate mine will be the first such undertaking within this country of a large open-pit uranium mine and that there exists a lack of knowledge of what constitutes adequate reclamation measures of uranium mines and its successes.

2. ISSUE: Waste Pile Slopes

AMC - The company proposes two methods of reclaiming waste pile slopes. One method calls for the construction of 2 to 1 slopes with intervening terraces and construction of downspouts. The second method calls for the construction of 3 to 1 slopes with a water retention berm at the crest of the slope and contour furrowing of all slopes. The use of these two methods will be on a 50-50 basis over the entire area to be reclaimed.

MMS - It is the position of Minerals Management Service that all waste pile slopes must be sloped at no greater than a 3 to 1 grade and must be contoured utilizing the contour furrowing method.

POL - It is the Pueblo's position that the grade of all slopes including waste pile slopes must be no greater than 3 to 1 and that there will be no terracing of slopes or construction of downspouts. The Pueblo also agrees that the contours should be furrowed.

JUSTIFICATION:

The Pueblo maintains that because of the composition of the wastepiles, waste pile slopes should be no steeper than a 3 to 1 grade in order to avoid erosion due to heavy rains, to permit a greater success of revegetation due to the elimination of seed loss lost through erosion, and to provide easier access to livestock. It is the Pueblo's position that every effort must be made to develop an optimum grazing area utilizing the processes of reclamation.

3. ISSUE: Topsoil on Waste Dumps

AMC - The Company proposes to backfill the North Paguate pit to 3 feet above the ground water recovery level, to backfill the west end of the pit to flood plain level and to create a 3 to 1 slope from the west end to the east end of the Paguate pit area. The Company further proposes to leave the highwall intact, to only scale the loose rock from the highwall, and to construct a fence along the rim of the highwall.

MMS - It is the position of Minerals Mangement Service that the highwall cannot remain as it is and that it will have to be removed. A final determination has not been made if the Company should be required to create a 1 1/2 to 1 incline by blasting or a 3 to 1 slope.

POL - It is the position of the Pueblo that the highwall must be removed and that a 3 to 1 slope must be created. It is also the position of the Pueblo that the entire North Paguate pit must be backfilled to pit flood plain level.

JUSTIFICATION:

Of the entire area upon which mining activities were conducted, the North Paguate pit operations were the closest of all operations to the Village of Paguate. The northwest part of the pit is no further than _____ yards from the nearest household. It is this area of mine which will probably be frequented most often by residents of the village. It is therefore imperative that every consideration be given to reclaiming this area in a manner which would eliminate any and all hazardous conditions and to render it useful, to the maximum extent possible, by the residents of the village. It should be kept in mind that this area was at one time under cultivation by the village residents and was served by an extensive irrigation system. The Pueblo representatives are under constant and extensive pressures from village residents to have the entire North Paguate pit backfilled and to have the highwall eliminated as has been verbally promised by past representatives of the Company. A portion of this area is also used for ceremonial activities though total use for this purpose was precluded during those years when mining activity was in progress. The Company's proposal to fence the rim of the highwall as a safety measure is totally unacceptable for reasons of maintenance requirements, eventual deterioration, and general ineffectiveness against trespass.

5. ISSUE: South Paguate Highwall

AMC - The Company proposes to backfill South Paguate pit to a level above the current water recovery level and to chain and ball the highwall. The Company also proposes to construct a fence along the rim of the highwall.

MMS - The Minerals Management Service has not established a position relative to this area.

POL - It is the position of the Pueblo that the pit should be backfilled to the greatest extent possible and that the highwalls should be eliminated and the area sloped on a 3 to 1 incline.

JUSTIFICATION:

The South Paguate pit if reclaimed only to the extent proposed by the Company will continue to pose a hazard to any person or livestock traversing the area. Many of the facilities, i.e., buildings to be turned over to the Pueblo in accordance with the terms of the Lease No. 4 are located in very close proximity to the South Paguate pit. It is the intent of the Pueblo to make complete use of the buildings and facilities resulting in the area to be occupied, at least during normal working hours, by as many as 75 to 100 people. It is therefore imperative that the highwalls be removed so as to eliminate the dangers created by their existence. The preventive measure of fencing as proposed by the Company is totally unacceptable because of the rate of deterioration of fences, maintenance requirements for upkeep of such, and general ineffectiveness in preventing access or trespass.

6. ISSUE: Level of Backfill

AMC - It is the position of the Company that areas will be backfilled to 3 feet above ground water recovery level.

MMS - It is the position of Minerals Management Service that backfill must be no less than 10 feet above the ground water recovery level.

POL - The Pueblo has not established a definite position relative to backfill but will depend to a large extent upon a recommendation and the position to be taken by Minerals Management Service.

7. ISSUE: Railroad Spur

AMC - The Company proposes to remove the spur.

MMS - The position of the Minerals Management Service is dependent upon the outcome of negotiations between the Pueblo and the Company as regards the transfer of the spur to the Pueblo. Whatever the outcome, the MMS will insist that the "hot spots" along the spur be eliminated.

POL - The Pueblo desires that the spur be transferred to the Pueblo.

JUSTIFICATION:

Currently under serious consideration by the Pueblo is the possibility of the Pueblo forming its own mining company, then developing unmined ore reserves and processing _____ stockpiles. In such event, the spur would continue to be used for transport of ore. Other industrial ventures are being developed. Some of these ventures would be located in the facilities to be turned over to the Pueblo by the Company. These ventures could be served by the spur.

8. ISSUE: Buildings

AMC - Building within Lease # 4 area will be transferred to the Pueblo.
The disposition of other buildings is negotiable.

MMS - Minerals Management Service will not permit existing residences located at Jackpile to continue to be used as residences.

POL - The Pueblo has furnished a request to the Company for transfer of certain buildings and equipment to the Pueblo. To date, a response has not been received from the Company.

JUSTIFICATION:

The Pueblo has developed a tentative plan for use of all the buildings and equipment that it has included in its transfer request. Requested buildings will be used for such purposes as quarters for tribal programs, industrial ventures and training facilities.

9. ISSUE: Damage to Homes in Paguate

AMC - Disclaims any liability for damage. Position based upon consultant study.

MMS - Will not establish position until it has reviewed the study done for the Company.

POL - It is the position of the Pueblo that homes and structures within the village area were in fact damaged by the mining operations. The Pueblo feels that this is a very critical concern of the Pueblo Council, not to mention the village residents. The Pueblo will seek an independent evaluation and withhold further discussion concerning the subject area pending completion of the evaluation.